



ANNAIK LIMITED

Condensed Financial Statements
for the six months and full year ended 31 December 2023

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ANNAIK LIMITED

Condensed Financial Statements For The Full Year Ended 31-12-2023

A CONDENSED CONSOLIDATED INCOME STATEMENT

	Note	Group					
		6 Months Ended			12 Months Ended		
		31-Dec-23	31-Dec-22	Change	31-Dec-23	31-Dec-22	Change
		(Restated)	(Restated)		(Restated)	(Restated)	
		S\$'000	S\$'000	%	S\$'000	S\$'000	%
Continuing operations							
Revenue	4	22,696	27,848	(18.50)	47,659	82,725	(42.39)
Cost of sales		(14,568)	(19,184)	(24.06)	(31,412)	(64,436)	(51.25)
Gross profit		8,128	8,664	(6.19)	16,247	18,289	(11.17)
Other operating income		55	1,418	(96.12)	740	2,503	(70.44)
Distribution expenses		(336)	(431)	(22.04)	(677)	(898)	(24.61)
Administrative expenses		(4,434)	(4,902)	(9.55)	(8,816)	(9,788)	(9.93)
(Allowance)/written-back for impairment losses on financial assets		(18)	67	NM	15	(102)	NM
Other operating expenses		(245)	(325)	(24.62)	(566)	(885)	(36.05)
Share of profit of associates		260	375	(30.67)	187	363	(48.48)
Finance costs		(702)	(740)	(5.14)	(1,429)	(1,197)	19.38
Profit before income tax	5	2,708	4,126	(34.37)	5,701	8,285	(31.19)
Income tax expense	6	(557)	(550)	1.27	(1,146)	(1,034)	10.83
Profit from continuing operations		2,151	3,576	(39.85)	4,555	7,251	(37.18)
Discontinued operations							
Profit from discontinuing operations	5	175	284	(38.38)	80	96	(16.67)
Profit for the year		2,326	3,860	(39.74)	4,635	7,347	(36.91)
Attributable to:							
Owners of the Company							
Continuing operations		1,453	2,516	(42.25)	3,195	5,500	(41.91)
Discontinued operations		96	154	(37.66)	50	26	92.31
		1,549	2,670	(41.99)	3,245	5,526	(41.28)
Non-controlling interests							
Continuing operations		698	1,060	(34.15)	1,360	1,751	(22.33)
Discontinued operations		79	130	(39.23)	30	70	(57.14)
		777	1,190	(34.71)	1,390	1,821	(23.67)
		2,326	3,860	(39.74)	4,635	7,347	(36.91)
Earnings per share (cents per share):							
Basic							
Continuing operations		0.50	0.87	(42.53)	1.11	1.91	(41.88)
Discontinued operations		0.03	0.05	(40.00)	0.02	0.01	100.00
Diluted							
Continuing operations		0.50	0.87	(42.53)	1.11	1.90	(41.58)
Discontinued operations		0.03	0.05	(40.00)	0.02	0.01	100.00

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Group						
	6 Months Ended			12 Months Ended			
	31-Dec-23	31-Dec-22	Change	31-Dec-23	31-Dec-22	Change	
	(Restated)	(Restated)		(Restated)	(Restated)		
		S\$'000	S\$'000	%	S\$'000	S\$'000	%
Profit for the year		2,326	3,860	(39.74)	4,635	7,347	(36.91)
Other comprehensive income							
<i>Item that may be reclassified subsequently to profit or loss</i>							
Exchange differences on translation of foreign operations		(75)	(3,969)	(98.11)	(2,330)	(4,632)	(49.70)
Fair value loss on investment securities		(67)	-	NM	(67)	-	NM
Other comprehensive loss for the year, net of tax		(142)	(3,969)	(96.42)	(2,397)	(4,632)	(48.25)
Total comprehensive income/(loss) for the year		2,184	(109)	NM	2,238	2,715	(17.57)
Total comprehensive income attributable to:							
Owners of the Company		1,393	(375)	NM	1,411	2,133	(33.85)
Non-controlling interests		791	266	197.37	827	582	4.21
		2,184	(109)	NM	2,238	2,715	(17.57)

NM denotes not meaningful

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Condensed Financial Statements For The Full Year Ended 31-12-2023

B CONDENSED STATEMENT OF FINANCIAL POSITION

	Note	Group		Company	
		31-Dec-23	31-Dec-22	31-Dec-23	31-Dec-22
		S\$'000	S\$'000	S\$'000	S\$'000
ASSETS					
Current assets:					
Cash and cash equivalents		11,073	15,002	711	305
Trade receivables		19,218	18,705	-	-
Other receivables		1,919	1,926	-	-
Prepayments		189	154	6	25
Amount due from subsidiaries		-	-	10,315	11,086
Inventories		21,895	25,102	-	-
Total current assets		54,294	60,889	11,032	11,416
Assets of disposal group classified as held-for-sale	7	3,454	-	-	-
Total current assets		57,748	60,889	11,032	11,416
Non-current assets:					
Property, plant and equipment	8	11,586	11,954	8	11
Right-of-use assets		3,965	4,173	-	-
Goodwill	9	497	497	-	-
Intangible assets	10	35,631	37,197	679	1,018
Investment in subsidiaries		-	-	30,048	26,516
Investment in associates		9,870	10,338	-	-
Investment securities		-	67	-	-
Club membership		190	190	190	190
Refundable deposits		434	451	-	-
Deferred tax assets		122	62	-	-
Total non-current assets		62,295	64,929	30,925	27,735
Total assets		120,043	125,818	41,957	39,151
LIABILITIES AND EQUITY					
Current Liabilities:					
Bank loans	11	4,693	6,200	260	616
Government loans	11	156	357	-	-
Lease liabilities		264	324	-	-
Bills payables	11	5,732	7,139	-	-
Trade payables		2,189	3,443	-	-
Other payables and accruals		6,224	8,286	1,138	1,281
Provision for income tax		1,271	1,316	-	-
Amount due to subsidiaries and associates		374	326	476	465
		20,903	27,391	1,874	2,362
Liabilities directly associated with disposal group classified as held-for-sale	7	3,143	-	-	-
Total current liabilities		24,046	27,391	1,874	2,362
Non-current liabilities					
Bank loans	11	11,766	14,210	252	512
Lease liabilities		2,784	2,763	-	-
Other payables and accruals		33	34	-	-
Deferred government grants		1,459	1,396	-	-
Deferred tax liabilities		1,044	998	-	-
Total non-current liabilities		17,086	19,401	252	512
Capital, reserves and non-controlling interests					
Share capital	12	38,864	38,864	38,864	38,864
Treasury shares	12	(568)	(568)	(568)	(568)
Reserves		26,471	26,214	1,535	(2,019)
Equity attributable to owners of the Company		64,767	64,510	39,831	36,277
Non-controlling interests		14,144	14,516	-	-
Total equity		78,911	79,026	39,831	36,277
Total equity and liabilities		120,043	125,818	41,957	39,151

ANNAIK LIMITED
Condensed Financial Statements For The Full Year Ended 31-12-2023
C CONDENSED STATEMENT OF CHANGES IN EQUITY

	Share Capital	Treasury Shares	Currency Translation Reserve	Reserve Fund	Share Options Reserve	Fair Value Reserve	Retained Earnings	Attributable To Owners Of The Company	Non-Controlling Interests	Total Equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Group										
Balance as at 1 January 2022	38,776	(568)	2,427	2,583	517	-	20,564	64,299	14,527	78,826
Dividends paid	-	-	-	-	-	-	(2,010)	(2,010)	-	(2,010)
Issuance of shares under ESOS Scheme 2013	88	-	-	-	(58)	-	58	88	-	88
Expiry of share option	-	-	-	-	(5)	-	5	-	-	-
Return of capital to non-controlling interests	-	-	-	-	-	-	-	-	(265)	(265)
Acquisition of non-controlling interests without a change in control	-	-	-	-	-	-	-	-	(274)	(274)
Transfer to statutory reserve fund	-	-	-	694	-	-	(694)	-	-	-
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	(54)	(54)
Total comprehensive income for the year	-	-	(3,393)	-	-	-	5,526	2,133	582	2,715
Balance as at 31 December 2022	38,864	(568)	(966)	3,277	454	-	23,449	64,510	14,516	79,026
Balance as at 1 January 2023	38,864	(568)	(966)	3,277	454	-	23,449	64,510	14,516	79,026
Dividends paid	-	-	-	-	-	-	(1,154)	(1,154)	-	(1,154)
Expiry of share option	-	-	-	-	(454)	-	454	-	-	-
Acquisition of non-controlling interests without a change in control	-	-	-	-	-	-	-	-	(132)	(132)
Transfer to statutory reserve fund	-	-	-	571	-	-	(571)	-	-	-
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	(1,067)	(1,067)
Total comprehensive income for the year	-	-	(1,767)	-	-	(67)	3,245	1,411	827	2,238
Balance as at 31 December 2023	38,864	(568)	(2,733)	3,848	-	(67)	25,423	64,767	14,144	78,911

ANNAIK LIMITED

Condensed Financial Statements For The Full Year Ended 31-12-2023

C CONDENSED STATEMENT OF CHANGES IN EQUITY (cont'd)

	Share Capital	Treasury Shares	Share Options Reserve	Retained Earnings	Total Equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Company					
Balance as at 1 January 2022	38,776	(568)	517	(4,839)	33,886
Dividends paid	-	-	-	(2,010)	(2,010)
Issuance of shares under ESOS Scheme 2013	88	-	(58)	58	88
Expiry of share options	-	-	(5)	5	-
Total comprehensive income for the year	-	-	-	4,313	4,313
Balance as at 31 December 2022	38,864	(568)	454	(2,473)	36,277
Balance as at 1 January 2023	38,864	(568)	454	(2,473)	36,277
Dividends paid	-	-	-	(1,154)	(1,154)
Expiry of share options	-	-	(454)	454	-
Total comprehensive income for the year	-	-	-	4,708	4,708
Balance as at 31 December 2023	38,864	(568)	-	1,535	39,831

ANNAIK LIMITED

Condensed Financial Statements For The Full Year Ended 31-12-2023

D CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Note	Group	
		12 Months Ended	
		31-Dec-23	31-Dec-22
		S\$'000	S\$'000
Cash flows from operating activities:			
Profit before tax from continuing operations		5,701	8,285
Profit before tax from discontinued operations	7	114	132
Profit before tax		5,815	8,417
Adjustments for:			
Amortisation of government grants		(70)	(68)
Gain on disposal of property, plant and equipment		-	(11)
Gain on disposal of assets classified as held-for-sale		-	(702)
Loss on disposal of intangible assets		-	232
(Written-back)/allowance for impairment losses on financial assets		(15)	102
Bad debts written off		18	7
Impairment loss of property, plant and equipment		-	120
Depreciation of property, plant and equipment		887	929
Depreciation of right-of-use assets		469	364
Amortisation of intangible assets		1,875	1,791
Allowance for slow moving inventories		139	380
Write down of inventories to net realisable value		-	32
Property, plant and equipment written off		-	4
Reversal of accruals		(72)	-
Share of profits of associates		(178)	(339)
Interest income		(157)	(104)
Finance costs		1,429	1,198
Unrealised foreign exchange gain, net		(377)	(453)
Operating profit before working capital changes		9,763	11,899
Decrease/(increase) in:			
Trade receivables		(1,813)	(514)
Other receivables and prepayments		(901)	4,181
Inventories		3,069	571
(Decrease)/increase in:			
Trade payables		(376)	(1,369)
Other payables		95	(4,826)
Bills payables		(1,407)	(3,156)
Cash generated from operations		8,430	6,786
Interest expense paid		(1,281)	(1,055)
Interest income received		157	104
Income taxes paid		(1,043)	(436)
Net cash flows generated from operating activities		6,263	5,399
Cash flows from investing activities:			
Proceeds from disposal of property, plant and equipment		-	23
Proceeds from disposal of assets classified as held-for-sale		-	10,279
Proceeds from disposal of intangible assets		-	15
Purchase of property, plant and equipment		(557)	(104)
Additions to intangible assets		(1,712)	(3,830)
Acquisition of non-controlling interests without a change in control		(57)	(274)
Additions to deferred government grants		187	-
Net cash flows (used in)/generated from investing activities		(2,139)	6,109
Cash flows from financing activities:			
Proceeds from issuance of shares under ESOS Scheme 2013		-	88
Proceeds from loans and borrowings		3,615	3,367
Repayment to loans and borrowings		(7,511)	(10,819)
Increase/(decrease) in amount due to associates		48	(100)
Return of capital to non-controlling interests		-	(265)
Dividends paid		(1,154)	(2,010)
Dividends paid to non-controlling interests		(1,067)	(54)
Payment of principal portion of lease liabilities		(345)	(243)
Payment of interest on lease liabilities		(148)	(143)
Net cash flows used in financing activities		(6,562)	(10,179)
Net (decrease)/increase in cash and cash equivalents		(2,438)	1,329
Cash and cash equivalents at the beginning of the year		15,002	14,382
Effect of exchange rate changes on the balance of cash held in foreign currencies		(338)	(709)
Cash and cash equivalents at the end of the year		12,226	15,002

Cash and cash equivalents, for the purpose of presenting consolidated statement of cash flows, consist of:

	31-Dec-23	31-Dec-22
	S\$'000	S\$'000
Cash and bank balances	11,073	15,002
Cash and bank balances reclassified to disposal group	1,153	-
	12,226	15,002

ANNAIK LIMITED

Condensed Financial Statements For The Full Year Ended 31-12-2023

E NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1 CORPORATE INFORMATION

AnnAik Limited (the "Company") is a limited liability company incorporated and domiciled in Singapore and is listed on the Catalyst Board of the Singapore Exchange.

These condensed consolidated financial statements as at and for the full financial year ended 31 December 2023 ("FY2023") as well as for the second half year ended 31 December 2023 ("2H2023") comprise the Company and its subsidiaries (collectively, the "Group") and the comparable periods are for the full financial year ended 31 December 2022 ("FY2022") and for the second half year ended 31 December 2022 ("2H2022") respectively.

The principal activities of the Group are:

- (a) Investment holding
- (b) Marketing and sale of steel and non-steel products
- (c) Owning and management of wastewater treatment plants

2 BASIS OF PREPARATION

The condensed financial statements for 2H2023 and FY2023 have been prepared in accordance with SFRS(I) 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore. The condensed financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last interim financial statements for the period ended 30 June 2023 ("1H2023").

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.1.

The condensed financial statements are presented in Singapore Dollars ("SGD" or "\$") which is the Company's functional currency and all values in the tables are rounded to the nearest thousand ("\$000") except when otherwise indicated.

2.1 NEW AND AMENDED STANDARDS ADOPTED BY THE GROUP

In the current financial year, the Group has adopted all the new and revised SFRS (I) that are relevant to its operations and effective for the current financial year.

The adoption of these new/revised SFRS(I)s did not result in material changes to the Group's accounting policies and has no material effect on the financial results or position of the Group and the Company.

2.2 USE OF JUDGEMENTS AND ESTIMATES

In preparing the condensed financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2022.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial period are as follows:

(i) Included in Note 9 - Goodwill

(ii) Provision of expected credit losses of trade receivables

The Group uses a provision matrix to calculate expected credit losses ("ECLs") for trade receivables. The provision rates are based on days past due from customer.

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust historical credit loss experience with forward-looking information. At every reporting date, historical default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

(iii) Allowance for inventories

Inventories are stated at the lower of cost and net realisable value. In assessing the allowance for inventories, the Group takes into account the historical obsolescence and slow-moving experiences and future demand of their product.

Based on management's estimate, inventories are fully provided for obsolescence if there are no sale movements within 4 years.

3 SEASONAL OPERATIONS

The Group's businesses are not affected by seasonal or cyclical factors during the financial period.

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Condensed Financial Statements For The Full Year Ended 31-12-2023
E NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (cont'd)
4 SEGMENT AND REVENUE INFORMATION

The following segment information is prepared based on the nature of the principal activities of the Company and its subsidiaries. Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. They are segregated primarily into three reporting segments, i.e. distribution of steel and non-steel products; manufacturing of steel flanges and environmental business. Except as indicated above, no operating segments have been aggregated to form the above reportable segments.

4.1 BUSINESS SEGMENTS

6 Months Ended - 31 December 2023	Distribution	Manufacturing of steel flanges	Environmental business	Discontinued operations	Elimination	Consolidation
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Revenue						
External revenue (steel products)	14,867	-	-	-	-	14,867
External revenue (non-steel products)	-	-	-	-	-	-
External revenue	-	2,564	5,265	905	-	8,734
Inter-segment revenue	1,446	2,330	431	40	(4,247)	-
Total revenue	16,313	4,894	5,696	945	(4,247)	23,601
Result						
Segment results	96	554	4,262	116	(1,775)	3,253
Dividend Income	1,800	-	-	-	(1,800)	-
Allowance for impairment losses on financial assets	(2)	(6)	(10)	-	-	(18)
Share of profits of associates	-	-	260	(8)	-	252
Interest income	-	-	-	-	-	105
Finance costs	-	-	-	-	-	(702)
Profit before income tax	-	-	-	-	-	2,890
Income tax expense	-	-	-	-	-	(564)
Profit for the period	-	-	-	-	-	2,326
Assets						
Segment assets	42,187	6,211	58,321	3,353	-	110,072
Investment in associates	-	-	9,870	101	-	9,971
Consolidated total assets	-	-	-	-	-	120,043
Liabilities						
Segment liabilities	11,418	1,915	8,041	3,143	-	24,517
Bank loans and government loans	9,814	-	6,801	-	-	16,615
Consolidated total liabilities	-	-	-	-	-	41,132
Other information						
Depreciation and amortisation	627	167	699	4	-	1,497
Capital expenditure	21	825	(273)	5	-	578
Other non-cash expenses	57	456	(170)	-	-	343

6 Months Ended - 31 December 2022	Distribution	Manufacturing of steel flanges	Environmental business (Restated)	Discontinued operations	Elimination	Consolidation
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Revenue						
External revenue (steel products)	16,432	-	-	-	-	16,432
External revenue (non-steel products)	1,314	-	-	3,241	-	4,555
External revenue	-	1,446	8,919	1,043	(263)	11,145
Inter-segment revenue	140	1,903	1,292	326	(3,661)	-
Total revenue	17,886	3,349	10,211	4,610	(3,924)	32,132
Result						
Segment results	622	177	3,558	259	78	4,694
Dividend income	4,261	-	-	-	(4,261)	-
Written-back/ (Allowance) for impairment losses on financial assets	44	(38)	61	-	-	67
Reversal of impairment losses on non-financial assets	3,166	681	-	-	(3,847)	-
Share of profits of associates	-	-	375	(11)	-	364
Interest income	-	-	-	-	-	55
Finance costs	-	-	-	-	-	(741)
Profit before income tax	-	-	-	-	-	4,439
Income tax expense	-	-	-	-	-	(579)
Profit for the period	-	-	-	-	-	3,860
Assets						
Segment assets	46,901	5,437	63,142	-	-	115,480
Investment in associates	-	-	10,338	-	-	10,338
Consolidated total assets	-	-	-	-	-	125,818
Liabilities						
Segment liabilities	13,151	1,381	11,493	-	-	26,025
Bank loans and government loans	14,341	-	6,426	-	-	20,767
Consolidated total liabilities	-	-	-	-	-	46,792
Other information						
Depreciation and amortisation	642	2	700	15	-	1,359
Capital expenditure	178	272	2,281	(17)	-	2,714
Other non-cash expenses	(183)	(9)	(762)	(14)	-	(968)

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Condensed Financial Statements For The Full Year Ended 31-12-2023
E NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (cont'd)
4.1 BUSINESS SEGMENTS (cont'd)

12 Months Ended - 31 December 2023	Distribution	Manufacturing of steel flanges	Environmental business	Discontinued operations	Elimination	Consolidation
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Revenue						
External revenue (steel products)	30,186	-	-	-	-	30,186
External revenue (non-steel products)	-	-	-	-	-	-
External revenue	-	4,133	13,340	2,741	-	20,214
Inter-segment revenue	1,707	4,042	1,483	172	(7,404)	-
Total revenue	31,893	8,175	14,823	2,913	(7,404)	50,400
Result						
Segment results	698	764	7,470	7	(2,045)	6,894
Dividend income	4,020	-	1,809	-	(5,829)	-
Written-back/ (Allowance) for impairment losses on financial assets	26	(6)	(5)	-	-	15
Share of profits of associates	-	-	187	(9)	-	178
Interest income	-	-	-	-	-	157
Finance costs	-	-	-	-	-	(1,429)
Profit before income tax	-	-	-	-	-	5,815
Income tax expense	-	-	-	-	-	(1,180)
Profit for the year	-	-	-	-	-	4,635
Assets						
Segment assets	42,187	6,211	58,321	3,353	-	110,072
Investment in associates	-	-	9,870	101	-	9,971
Consolidated total assets	-	-	-	-	-	120,043
Liabilities						
Segment liabilities	11,418	1,915	8,041	3,143	-	24,517
Bank loans and government loans	9,814	-	6,801	-	-	16,615
Consolidated total liabilities	-	-	-	-	-	41,132
Other information						
Depreciation and amortisation	1,263	315	1,641	12	-	3,231
Capital expenditure	39	831	1,714	5	-	2,589
Other non-cash expenses	139	528	(558)	-	-	109

12 Months Ended - 31 December 2022	Distribution	Manufacturing of steel flanges	Environmental business (Restated)	Discontinued operations	Elimination	Consolidation
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Revenue						
External revenue (steel products)	48,752	-	-	-	-	48,752
External revenue (non-steel products)	15,011	-	-	3,241	-	18,252
External revenue	-	3,021	16,204	1,844	(263)	20,806
Inter-segment revenue	219	4,069	1,292	326	(5,906)	-
Total revenue	63,982	7,090	17,496	5,411	(6,169)	87,810
Result						
Segment results	2,245	807	6,116	172	(66)	9,274
Dividend income	4,261	-	-	-	(4,261)	-
(Allowance)/ Written-back for impairment losses on financial assets	(118)	(38)	54	-	-	(102)
Reversal of impairment losses on non-financial assets	3,166	681	-	-	(3,847)	-
Share of profits of associates	-	-	363	(24)	-	339
Interest income	-	-	-	-	-	104
Finance costs	-	-	-	-	-	(1,198)
Profit before income tax	-	-	-	-	-	8,417
Income tax expense	-	-	-	-	-	(1,070)
Profit for the year	-	-	-	-	-	7,347
Assets						
Segment assets	46,901	5,437	63,142	-	-	115,480
Investment in associates	-	-	10,338	-	-	10,338
Consolidated total assets	-	-	-	-	-	125,818
Liabilities						
Segment liabilities	13,151	1,381	11,493	-	-	26,025
Bank loans and government loans	14,341	-	6,426	-	-	20,767
Consolidated total liabilities	-	-	-	-	-	46,792
Other information						
Depreciation and amortisation	1,299	187	1,563	35	-	3,084
Capital expenditure	236	272	3,835	(14)	-	4,329
Other non-cash expenses	325	(379)	(338)	(17)	-	(409)

ANNAIK LIMITED

Condensed Financial Statements For The Full Year Ended 31-12-2023

E NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (cont'd)

4.2 DISAGGREGATION OF REVENUE

6 Months Ended - 31 December 2023	Sale of goods	Service income from environmental business	Construction revenue	Discontinued operations	Total revenue
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Primary geographical markets					
Singapore	10,312	-	-	292	10,604
People's Republic of China	-	6,652	(1,387)	276	5,541
South Korea	-	-	-	-	-
Malaysia	4,018	-	-	67	4,085
Indonesia	2,016	-	-	-	2,016
India	-	-	-	-	-
United Kingdom	-	-	-	-	-
Australia	278	-	-	-	278
New Zealand	119	-	-	-	119
Vietnam	7	-	-	-	7
Hong Kong	34	-	-	270	304
Thailand	67	-	-	-	67
Japan	580	-	-	-	580
Others	-	-	-	-	-
	17,431	6,652	(1,387)	905	23,601
Timing of transfer of goods or services					
At a point in time	17,431	6,652	-	905	24,988
Over time	-	-	(1,387)	-	(1,387)
	17,431	6,652	(1,387)	905	23,601

6 Months Ended - 31 December 2022	Sale of goods	Service income from environmental business	Construction revenue	Discontinued operations	Total revenue
	(Restated) S\$'000	(Restated) S\$'000	(Restated) S\$'000	S\$'000	(Restated) S\$'000
Primary geographical markets					
Singapore	12,778	-	-	652	13,430
People's Republic of China	1,361	5,896	2,747	3,033	13,037
South Korea	96	-	-	-	96
Malaysia	2,455	-	-	-	2,455
Indonesia	967	-	-	-	967
India	427	-	-	-	427
United Kingdom	215	-	-	-	215
Australia	519	-	-	-	519
New Zealand	226	-	-	-	226
Vietnam	-	-	-	-	-
Hong Kong	1	-	-	599	600
Thailand	97	-	-	-	97
Japan	20	-	-	-	20
Others	43	-	-	-	43
	19,205	5,896	2,747	4,284	32,132
Timing of transfer of goods or services					
At a point in time	19,205	5,896	-	4,284	29,385
Over time	-	-	2,747	-	2,747
	19,205	5,896	2,747	4,284	32,132

ANNAIK LIMITED

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E NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (cont'd)

4.2 DISAGGREGATION OF REVENUE (cont'd)

12 Months Ended - 31 December 2023	Sale of goods	Service income from environmental business	Construction revenue	Discontinued operations	Total revenue
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Primary geographical markets					
Singapore	22,037	-	-	1,187	23,224
People's Republic of China	-	12,726	614	1,036	14,376
South Korea	-	-	-	-	-
Malaysia	7,215	-	-	67	7,282
Indonesia	3,327	-	-	-	3,327
India	-	-	-	-	-
United Kingdom	-	-	-	-	-
Australia	734	-	-	-	734
New Zealand	213	-	-	-	213
Vietnam	7	-	-	-	7
Hong Kong	34	-	-	451	485
Thailand	147	-	-	-	147
Japan	580	-	-	-	580
Others	25	-	-	-	25
	34,319	12,726	614	2,741	50,400
Timing of transfer of goods or services					
At a point in time	34,319	12,726	-	2,741	49,786
Over time	-	-	614	-	614
	34,319	12,726	614	2,741	50,400

12 Months Ended - 31 December 2022	Sale of goods	Service income from environmental business	Construction revenue	Discontinued operations	Total revenue
	(Restated) S\$'000	(Restated) S\$'000	(Restated) S\$'000	S\$'000	(Restated) S\$'000
Primary geographical markets					
Singapore	24,296	-	-	836	25,132
People's Republic of China	15,064	12,074	3,854	3,650	34,642
South Korea	565	-	-	-	565
Malaysia	5,157	-	-	-	5,157
Indonesia	2,234	-	-	-	2,234
India	17,373	-	-	-	17,373
United Kingdom	215	-	-	-	215
Australia	1,022	-	-	-	1,022
New Zealand	457	-	-	-	457
Vietnam	14	-	-	-	14
Hong Kong	1	-	-	599	600
Thailand	129	-	-	-	129
Japan	20	-	-	-	20
Others	250	-	-	-	250
	66,797	12,074	3,854	5,085	87,810
Timing of transfer of goods or services					
At a point in time	66,797	12,074	-	5,085	83,956
Over time	-	-	3,854	-	3,854
	66,797	12,074	3,854	5,085	87,810

A breakdown of revenue as follows:

	Group		Change
	FY2023	FY2022	
	(Restated)	(Restated)	
	S\$'000	S\$'000	%
Revenue reported for:			
First Half Year ended 30 Jun	26,799	55,678	(51.87)
Second Half Year ended 31 Dec	23,601	32,132	(26.55)
	50,400	87,810	(42.60)
Net profit after tax before deducting non-controlling interests reported for:			
First Half Year ended 30 Jun	2,309	3,487	(33.78)
Second Half Year ended 31 Dec	2,326	3,860	(39.74)
	4,635	7,347	(36.91)

ANNAIK LIMITED

Condensed Financial Statements For The Full Year Ended 31-12-2023

E NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (cont'd)

5 PROFIT BEFORE TAXATION

Profit before tax for the period is arrived at after charging/(crediting) the following:

	Group			
	6 Months Ended		12 Months Ended	
	31-Dec-23	31-Dec-22	31-Dec-23	31-Dec-22
		(Restated)		(Restated)
	S\$'000	S\$'000	S\$'000	S\$'000
Continuing operations:				
Amortisation of government grant	(36)	(32)	(70)	(68)
Gain on disposal of property, plant and equipment	-	(9)	-	(13)
Loss/(gain) on disposal of assets classified as held for sale	-	22	-	(702)
Loss on disposal of intangible assets	-	232	-	232
Allowance/(written-back) for impairment losses on financial assets	18	(67)	(15)	102
Bad debts written off	18	7	18	7
Impairment loss of property, plant and equipment	-	120	-	120
Depreciation of property, plant and equipment	439	315	880	913
Depreciation of right-of-use assets	231	199	464	345
Amortisation of intangible assets	825	831	1,875	1,791
(Reversal)/allowance for slow moving inventories	(153)	(22)	139	380
Write down of inventories to net realisable value	-	32	-	32
Written-(back)/off of property, plant and equipment	-	(8)	-	4
Written-back of intangible assets	-	(42)	-	-
Reversal of accruals	(72)	-	(72)	-
Share of profits of associates	(260)	(375)	(187)	(363)
Interest income	(40)	(29)	(63)	(50)
Finance costs	702	740	1,429	1,197
Unrealised foreign exchange (gain)/loss, net	(30)	(1,057)	(377)	(453)
Discontinued operations:				
Loss on disposal of property, plant and equipment	-	2	-	2
Depreciation of property, plant and equipment	2	5	7	16
Depreciation of right-of-use assets	-	9	5	19
Share of losses of associates	8	11	9	24
Interest income	(65)	(26)	(94)	(54)
Finance costs	-	1	-	1

6 INCOME TAX EXPENSE

The major components of income tax expense for the period/year ended 31 December are:

	Group			
	6 Months Ended		12 Months Ended	
	31-Dec-23	31-Dec-22	31-Dec-23	31-Dec-22
		(Restated)		(Restated)
	S\$'000	S\$'000	S\$'000	S\$'000
Consolidated income statement				
Current taxation:				
-Current income taxation	321	563	1,001	1,102
-Underprovision in respect of prior years	22	13	22	13
	343	576	1,023	1,115
Deferred taxation:				
-Origination and reversal of temporary differences	32	(26)	32	(81)
-Underprovision in respect of prior years	182	-	-	-
	214	(26)	32	(81)
Withholding tax expense	-	-	91	-
Income tax expense attributable to continuing operations	557	550	1,146	1,034
Income tax expense attributable to discontinued operations	7	29	34	36
Income tax expense recognised in the profit or loss	564	579	1,180	1,070

ANNAIK LIMITED

Condensed Financial Statements For The Full Year Ended 31-12-2023

E NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (cont'd)

7 DISCONTINUED OPERATIONS AND DISPOSAL GROUP CLASSIFIED AS HELD-FOR-SALE

Discontinued operations and classified as held for sale, as announced on 13 December 2023, Company has entered into a sale and purchase agreement in relation to the disposal of all the Company's shares in Pioneer Environmental Technology Pte. Ltd. ("PET"), a 51% owned subsidiary of the Company, subject to the fulfilment of the condition precedents.

In compliance with SFRS(I) 5 Non-Current Assets Held-for-Sale and Discontinued Operations, the financial results of PET and its subsidiaries and associated companies ("Pioneer Group") have been reclassified to "Discontinued Operations" and its prior year's financial results have been restated to reflect this change in presentation in the Consolidated Statement of Comprehensive Income.

The results of the discontinued operations are as follows:

	12 Months Ended	
	31-Dec-23	31-Dec-22
	S\$'000	S\$'000
Revenue	2,741	5,085
Cost of sales	(2,154)	(4,272)
Gross Profit	587	813
Other operating income	140	156
Distribution expenses	(247)	(246)
Administrative expenses	(354)	(551)
Other operating expenses	(3)	(15)
Share of profit of associates	(9)	(24)
Finance costs	-	(1)
Profit before income tax from discontinued operations	114	132
Income tax expense	(34)	(36)
Profit after tax from discontinued operations	80	96

The carrying amount of assets and liabilities held-for-sale were S\$3,454,000 and S\$3,143,000 respectively, comprised of the following:

	31-Dec-23
	S\$'000
ASSETS	
Cash and cash equivalents	1,153
Trade receivables	1,278
Other receivables	894
Prepayments	8
Property, plant and equipment	20
Investment in associates	101
	3,454
LIABILITIES	
Trade payables	877
Other payables and accruals	2,163
Provision for income tax	103
	3,143

ANNAIK LIMITED

Condensed Financial Statements For The Full Year Ended 31-12-2023

E NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (cont'd)

8 PROPERTY, PLANT AND EQUIPMENT

During the six months ended 31 December 2023, the Group acquired assets amounting to S\$526,504 (31 December 2022: S\$36,716) and disposed of assets amounting to nil (31 December 2022: S\$65,618) for its continuing operations.

The Group carried out a review and determined that there is no indicator of impairment loss to these assets for the current financial periods.

9 GOODWILL

Goodwill acquired in a business combination is allocated to the CGU that is expected to benefit from that business combination for impairment testing purpose, as follows:

	Group	
	As At	
	31-Dec-23	31-Dec-22
	S\$'000	S\$'000
AngWei Environmental Ecological & Engineering (Shanghai) Co., Ltd ("AngWei Enviro") and its subsidiaries	497	497
	497	497

Comprising the wastewater treatment business of its subsidiaries, arising from the service concession rights granted by the People's Republic of China government.

The recoverable amount of AngWei Enviro Group was determined based on value in use calculated using cash flow projection from the financial budgets approved by management covering the remaining concession periods, useful lives of the wastewater treatment plants operated by the CGU, ranging from 17 - 24 years (2022: 18 - 25 years). The pre-tax discount rate applied to these cash flows is 10% (2022: 7%).

Key assumptions used in the value in use calculation:

The calculation of value in use is most sensitive to the following assumptions:

Growth rate - Projected revenue for wastewater treatment plants is based on government guarantee stated in the service concession agreement with the local government.

Pre-tax discount rates - The discount rate calculation is based on the specific circumstances of the CGU and derived from its weighted average cost of capital ("WACC"). The WACC takes into account both the cost of debt and equity. The cost of equity is derived from the expected return on investment by the Group's investors. The cost of debt is based on the interest-bearing borrowings the CGU is obliged to service. Segment-specific risk is incorporated by applying individual beta factors. The beta factors are evaluated annually based on publicly available market data.

Budgeted gross margins - Gross margins are based on results achieved in the year preceding the start of the budget period.

Sensitivity to changes in assumptions:

With regards to the assessment of value in use for AngWei Enviro, management believes that no reasonable possible changes in any of the above key assumptions would cause the carrying value of the unit to materially exceed its recoverable amount.

10 INTANGIBLE ASSETS

	Group			
	Patent rights	Concession rights	Technical know-how	Total
	S\$'000	S\$'000	S\$'000	S\$'000
Cost:				
At 1 January 2022	3,732	48,353	405	52,490
Additions	-	3,830	-	3,830
Disposals	-	(349)	-	(349)
Exchange differences	-	(4,082)	(17)	(4,099)
At 31 December 2022 and 1 January 2023	3,732	47,752	388	51,872
Additions	-	1,712	-	1,712
Exchange differences	-	(1,854)	(15)	(1,869)
At 31 December 2023	3,732	47,610	373	51,715
Accumulated amortisation:				
At 1 January 2022	2,375	11,178	405	13,958
Amortisation charge for the year	339	1,452	-	1,791
Disposals	-	(102)	-	(102)
Exchange differences	-	(955)	(17)	(972)
At 31 December 2022 and 1 January 2023	2,714	11,573	388	14,675
Amortisation charge for the year	339	1,536	-	1,875
Exchange differences	-	(451)	(15)	(466)
At 31 December 2023	3,053	12,658	373	16,084
Carrying amount:				
At 31 December 2022	1,018	36,179	-	37,197
At 31 December 2023	679	34,952	-	35,631

ANNAIK LIMITED

Condensed Financial Statements For The Full Year Ended 31-12-2023

E NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (cont'd)

10 INTANGIBLE ASSETS (cont'd)

	Company Patent rights S\$'000
Cost:	
At 1 January 2022, 31 December 2022, 1 January 2023 and 31 December 2023	3,732
Accumulated amortisation:	
At 1 January 2022	2,375
Amortisation charge for the year	339
At 31 December 2022 and 1 January 2023	2,714
Amortisation charge for the year	339
At 31 December 2023	3,053
Carrying amount:	
At 31 December 2022	1,018
At 31 December 2023	679

11 LOANS AND BORROWINGS

	Group		Company	
	As At		As At	
	31-Dec-23	31-Dec-22	31-Dec-23	31-Dec-22
	S\$'000	S\$'000	S\$'000	S\$'000
Amount repayable in one year or less, or on demand:-				
Secured	10,321	13,080	-	-
Unsecured	260	616	260	616
Sub-Total	10,581	13,696	260	616
Amount repayable after one year				
Secured	11,514	13,698	-	-
Unsecured	252	512	252	512
Sub-Total	11,766	14,210	252	512
Total borrowings	22,347	27,906	512	1,128

Details of any collateral

As at 31 December 2023 and 31 December 2022, the Group's secured borrowings consist of bank loans, government loans and bills payables.

As at 31 December 2023, bank loans of S\$7.18m (31 December 2022: S\$7.99m) was secured by a charge over a property of a subsidiary.

As at 31 December 2023, bills payables and remaining bank loans of S\$14.66m (31 December 2022: S\$18.79m) was secured by corporate guarantee of the Company, personal guarantees of certain key management personnel and corporate guarantee by a subsidiary company.

12 SHARE CAPITAL AND TREASURY SHARES

	Group and Company			
	31-Dec-23		31-Dec-22	
	Number of Shares '000	Share Capital S\$'000	Number of Shares '000	Share Capital S\$'000
<u>Share capital</u>				
Beginning of the year	294,054	38,864	292,733	38,776
Issuance of shares under ESOS Scheme 2013	-	-	1,321	88
End of the year	294,054	38,864	294,054	38,864
<u>Treasury shares</u>				
Beginning of the year	(5,534)	(568)	(5,534)	(568)
Purchase of treasury shares	-	-	-	-
End of the year	(5,534)	(568)	(5,534)	(568)

Company has 5,533,700 treasury shares as at 31 December 2023 (31 December 2022: 5,533,700 treasury shares).

Company issued nil ordinary shares as at 31 December 2023 (31 December 2022: 1,321,000 ordinary shares at S\$87,714 under ESOS Scheme 2013). The number of shares that may be issued on conversion of all share options outstanding as at 31 December 2023 was nil (31 December 2022: 10,416,500).

There were no shares held as subsidiary holdings as at 31 December 2023 and 31 December 2022.

ANNAIK LIMITED

Condensed Financial Statements For The Full Year Ended 31-12-2023

E NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (cont'd)

13 RELATED PARTIES TRANSACTIONS

	Group			
	6 Months Ended		12 Months Ended	
	31-Dec-23	31-Dec-22	31-Dec-23	31-Dec-22
	S\$'000	S\$'000	S\$'000	S\$'000
Sales and purchases of goods and services				
In addition to the related party information disclosed elsewhere in the financial statements, the following significant transactions between the Group and related parties took place at terms agreed between the parties during the financial period/year:				
Sales of goods to a related party	-	(2)	-	(2)
Purchase of goods from a related party	675	315	870	435
Compensation of directors and key management personnel				
The remuneration of directors and other members of key management during the period/year was as				
Salaries, bonuses and benefits	1,505	1,887	2,723	3,200
Central Provident Fund contributions	60	77	102	137
Directors' fees	54	54	109	109
	1,619	2,018	2,934	3,446
Comprise amounts paid to:				
- Directors of the Company	892	1,138	1,737	1,986
- Other key management personnel	727	880	1,197	1,460
	1,619	2,018	2,934	3,446
The remuneration of directors and key management is determined by the remuneration committee having regard to the performance of individuals and market trends.				
<u>Directors' interests in employee share option</u>				
At the end of the reporting period, the total number of outstanding share options granted by the Company to the above-mentioned directors under the share option plan amounted to nil (2022: 3,476,000).				

14 DIVIDENDS

	Group	
	12 Months Ended	
	31-Dec-23	31-Dec-22
	S\$'000	S\$'000
Declared and paid during the year:		
Dividends on ordinary shares:		
-Final exempt (one-tier) dividend paid in 2023: 0.4 (2022: 0.7) cent per share	1,154	2,010
Proposed but not recognised as liability as at 31 December:		
Dividends on ordinary shares, subject to shareholders' approval at AGM:		
-Final exempt (one-tier) dividend for 2023: 0.3 (2022: 0.4) cent per share	866	1,154

15 FINANCIAL ASSETS AND FINANCIAL LIABILITIES

	Group		Company	
	As At		As At	
	31-Dec-23	31-Dec-22	31-Dec-23	31-Dec-22
	S\$'000	S\$'000	S\$'000	S\$'000
Financial Assets (Amortised cost)				
Refundable deposits	434	451	-	-
Trade and other receivables (1)	19,563	19,137	-	-
Amount due from subsidiaries	-	-	10,315	11,086
Cash and cash equivalents	11,073	15,002	711	305
	31,070	34,590	11,026	11,391
Financial Liabilities (Amortised cost)				
Trade payables	2,189	3,443	-	-
Other payables and accruals (2)	5,648	6,015	1,122	1,272
Amount due to associates	374	326	-	-
Amount due to subsidiaries	-	-	476	465
Loans and borrowings	22,347	27,906	512	1,128
Lease liabilities	3,048	3,087	-	-
	33,606	40,777	2,110	2,865

(1) Exclude GST receivables and advances to suppliers.

(2) Exclude GST payables, deposits and advances from customers.

16 CONTINGENCIES

As announced on 13 December 2023, the Company has entered into a sale and purchase agreement ("SPA") in relation to the disposal of all the Company's shares in Pioneer Environmental Technology Pte. Ltd. ("PET"), a 51% owned subsidiary of the Company, subject to the fulfilment of the condition precedents. Pursuant to the SPA, the Company will continue to guarantee and provide security for certain debts and obligations of PET ("Financial Assistance"). As at the date of the SPA, the outstanding obligations to be performed under the project contract amount to approximately S\$4.45 million, of which the Bank has provided banker's guarantees of approximately S\$1.79 million.

Notwithstanding the Financial Assistance rendered, the purchaser has pledged certain securities to the Company. As at 31 December 2023, the proposed disposal has yet to be completed. Please refer to the Company's announcement dated 13 December 2023 for further details.

ANNAIK LIMITED

Condensed Financial Statements For The Full Year Ended 31-12-2023

F OTHER INFORMATION

- 1 (a)(i) Details of any changes in the company's share capital arising from right issue, bonus issue, subdivision consolidation, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous year reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial year reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial year reported on and as at the end of the corresponding period of the immediately preceding financial year.

SHARE CAPITAL

	Number of Shares	Share Capital
	'000	S\$'000
Balance as at 1 January 2023 294,053,974 ordinary shares	294,054	38,864
Less: Treasury Share	(5,534)	(568)
Balance as at 31 December 2023 288,520,274 ordinary shares	288,520	38,296
Percentage (%) of treasury shares held against the total number of shares outstanding as at 31 December 2023	1.90	

Company has 5,533,700 treasury shares as at 31 December 2023 (31 December 2022: 5,533,700 treasury shares).

Company issued nil ordinary shares as at 31 December 2023 (31 December 2022: 1,321,000 ordinary shares under ESOS Scheme 2013). The number of shares that may be issued on conversion of all share options outstanding as at 31 December 2023 was nil (31 December 2022: 10,416,500).

Company has nil subsidiary holdings as at 31 December 2023 (31 December 2022: Nil).

- 1 (a)(ii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

Please refer to item 1(a)(i) above.

- 1 (a)(iii) A statement showing all sales, transfers, cancellation and/or use of treasury shares as at the end of the current financial year reported on.

There are no sales or transfers, cancellation and/or use of treasury shares between 1 January 2023 and 31 December 2023.

- 1 (a)(iv) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial year reported on.

Not applicable.

ANNAIK LIMITED

Condensed Financial Statements For The Full Year Ended 31-12-2023

F OTHER INFORMATION (cont'd)

2 Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.

The figures have not been audited nor reviewed by our auditors

3 Whether the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).

Not applicable.

3 (a) Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion, the financial statements have been adequately disclosed.

(i) update on the efforts taken to resolve each outstanding audit issue,
(ii) confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

Not applicable.

4 Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

There has been no changes in the accounting policies and methods of computation, including any required by an accounting standard. The Group and Company have adopted the same accounting policies and methods of computation for the current financial year as those applied in the financial year ended 31 December 2022.

5 If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

Not applicable.

6 Earnings per ordinary share of the group for the current financial year reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

EARNING PER ORDINARY SHARE

Earnings per ordinary share for the financial year based on net profit attributable to the equity holders of the Company	Group		
	31-Dec-23	31-Dec-22	Change
	%		
Continuing Operations			
(i) Based on weighted average number of ordinary shares (in cents)	1.11	1.91	(41.88)
- Weighted average number of shares	288,520,274	287,876,060	0.22
(ii) On a fully diluted basis (in cents)	1.11	1.90	(41.58)
- Adjusted weighted average number of shares	288,520,274	289,932,060	(0.49)
Discontinued Operations			
(i) Based on weighted average number of ordinary shares (in cents)	0.02	0.01	100.00
- Weighted average number of shares	288,520,274	287,876,060	0.22
(ii) On a fully diluted basis (in cents)	0.02	0.01	100.00
- Adjusted weighted average number of shares	288,520,274	289,932,060	(0.49)

7 Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:-

(a) current financial year reported on; and
(b) immediately preceding financial year

Net asset value attributable to owners of the Company per ordinary share based on the existing issued share capital excluding treasury shares as at the end of the financial year	Group			Company		
	As At			As At		
	31-Dec-23	31-Dec-22	Change	31-Dec-23	31-Dec-22	Change
	Cents	Cents	%	Cents	Cents	%
	22.45	22.36	0.40	13.81	12.57	9.86

The net asset value per ordinary share is based on 288,520,274 (2022: 288,520,274) shares at the end of each year.

F OTHER INFORMATION (cont'd)

8 A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-

- (a) any significant factors that affected the turnover, costs and earnings of the group for the current financial year reported on, including (where applicable) seasonal or cyclical factors; and
- (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial year reported on.

Discontinued operations and subsidiary classified as held for sale:

As announced on 13 December 2023, Company has entered into a sale and purchase agreement in relation to the disposal of all the Company's shares in Pioneer Environmental Technology Pte. Ltd. ("Pioneer"), a 51% owned subsidiary of the Company subject to the fulfillment of the condition precedents. Accordingly, the results of Pioneer have been separately presented in the consolidated income statement for the financial year ended 31 December 2023 and condensed statement of financial position as at 31 December 2023 as discontinued operations and subsidiary classified as held for sale respectively.

Please refer to Note E7 for the details.

Income StatementContinuing Operations

The Group's profit attributable to owners of the Company for the year ended 31 December 2023 was S\$3.25 million as compared to S\$5.53 million recorded in the prior year. The dip in results was mainly due to normalisation of steel price in the beginning of the year as compared to FY2022 which resulted in reduced gross profit. The Group's revenue for current year decreased by approximately S\$35.07 million or 42.39% from S\$82.73 million for the financial year ended 31 December 2022 ("FY2022") to S\$47.66 million for the financial year ended 31 December 2023 ("FY2023"). The decrease was mainly due to:

- substantial lower sales in PRC and India from its trading of steel and non-steel business under the distribution division. The Group had ceased operations in trading of steel and non-steel business with external parties since September 2022.
- lower turnover from environmental business division attributed to lower sales generated from industrial cum municipal wastewater business in the PRC; and partially offset by;
- higher sales generated from manufacturing of steel flanges due to improvement of SHINSEI brand's awareness after intensive marketing effort.

Based on disaggregation of revenue by geographical markets under sales of goods, sales to the PRC, India and Singapore decreased by S\$15.06 million, S\$17.37 million and S\$2.26 million respectively mainly due to cessation trading of steel and non-steel business with external parties since September 2022. Sales of goods in Indonesia increased by S\$1.09 million due to successful penetration of new market. The rise in sales of goods to Malaysia and Japan by S\$2.06 million and S\$0.56 million respectively were mainly attributable to the increase in distribution of steel. However, the increase was partially offset by a drop in sales of S\$1.31 million in South Korea, United Kingdom, Australia and New Zealand after the cessation of business operations of a steel trading business under the distribution division in FY2022. Disaggregation of revenue by geographical markets under construction revenue in PRC decreased by S\$3.24 million for the reasons explained under the environmental business division above.

Gross profit decreased by S\$2.04 million or 11.17% for current year from S\$18.29 million in FY2022 to S\$16.25 million in FY2023. The decrease was in tandem with lower revenue and also lower gross profit from the distribution of steel products business as explained above. However, overall gross profit margin improved due to a change in product mix.

Other operating income decreased by S\$1.76 million or 70.44% from S\$2.50 million in FY2022 to S\$0.74 million in FY2023. The decrease was mainly due to one-off gain on disposal of assets classified as held-for-sale (Shinsei Industry) amounting to S\$0.71 million in prior year and lower government grants received by ChangXing Linsheng and ChangXing Lijiang amounting to S\$0.73 million in the current year.

Interest income increased by S\$0.05 million or 51.00% from S\$0.10 million in FY2022 to S\$0.16 million in FY2023 mainly due to higher interest income received.

Distribution expenses decreased by S\$0.22 million or 24.61% from S\$0.90 million in FY2022 to S\$0.68 million in FY2023. The decrease was attributed to the lower revenue generated from the distribution of steel products business.

Administrative expenses decreased by S\$0.97 million or 9.93% from S\$9.79 million in FY2022 to S\$8.82 million in FY2023 mainly due to expenses related to the disposal of property recorded in prior year and lower payroll related expenses in tandem with lower operating profit recognised in this year.

Write-back for impairment losses on financial assets amounted to S\$0.02 million during FY2023 as compared to an allowance of impairment on financial assets of S\$0.1 million.

Other operating expenses decreased by S\$0.32 million or 36.05% from S\$0.89 million in FY2022 to S\$0.57 million in FY2023 mainly due to lower foreign currency exchange losses due to appreciation of Singapore dollars against various currencies the Group transacts in.

As a result of fewer EPC projects secured and delivered during the period from the rural wastewater treatment business under the environmental business division, share of profit of associates is lower, amounting to a profit of S\$0.19 million in FY2023 as compared to a profit of S\$0.36 million in FY2022.

Depreciation and amortisation was S\$0.17 million higher compared to FY2022 mainly due to the property, plant and equipment and intangible assets acquired during FY2023.

An additional allowance of S\$0.14 million was made for slow moving inventories in the current year as compared to S\$0.38 million in FY2023.

Finance costs increased by S\$0.23 million or 19.38% from S\$1.20 million in FY2022 to S\$1.43 million in FY2023 due to higher cost of funding.

Statement of Financial Position

The current assets of the Group decreased by S\$3.14 million from S\$60.89 million as at 31 December 2022 to S\$57.75 million as at 31 December 2023. The decrease was mainly attributed to:

- a decrease in inventories of S\$3.21 million as a result of better inventory management for stock replenishment;
- decrease in cash and cash equivalents by S\$3.93 million from S\$15.00 million as at 31 December 2022 to S\$11.07 million as at 31 December 2023 for the reasons set out under Cash Flow section below; and
- reclassification of assets of Pioneer Group under "Assets of disposal group classified as held-for-sale" of S\$3.45 million; offset by
- an increase in trade receivables of S\$0.50 million mainly due to slower collections, especially from the environmental business in PRC. Debtor turnover increased from 82 days as at 31 December 2022 to 156 days as at 31 December 2023 (By excluding Pioneer Group and trading of steel and non-steel business, the debtor turnover increased from 143 days as at 31 December 2022 to 155 days as at 31 December 2023).

The Group maintained a healthy and positive working capital of S\$33.70 million or current ratio of 2.40 times with current assets of S\$57.75 million and current liabilities of S\$24.05 million as at 31 December 2023.

The non-current assets of the Group decreased by S\$2.63 million from S\$64.93 million as at 31 December 2022 to S\$62.30 million as at 31 December 2023. The decrease was attributed to:

- decrease in property, plant and equipment of S\$0.37 million was mainly attributed to the depreciation charge of S\$0.88 million and recognition of foreign currency translation loss of S\$0.01 million, which was partially offset by addition of property, plant and equipment amounting to S\$0.56 million.
- decrease in right-of-use assets of S\$0.21 million was mainly attributed to the depreciation charge of S\$0.46 million, which was partially offset by addition of right-of-use assets of S\$0.32 million;
- decrease in investment in associates by S\$0.47 million mainly due to recognition of foreign currency translation loss of S\$0.53 million, partially offset with share of profit of associates of S\$0.19 million during the year and reclassification of Pioneer Group's investment in associates of S\$0.10 million under "Assets of disposal group classified as held-for-sale";
- decrease in intangible assets of S\$1.57 million was due to the amortisation charge of S\$1.88 million and recognition of foreign currency translation loss of S\$1.40 million, which was partially offset by acquisition of intangible assets amounting to S\$1.71 million related to the upgrading of wastewater treatment plants in the industrial cum municipal wastewater treatment business under the environmental business division.

The total liabilities of the Group decreased by S\$5.66 million from S\$46.79 million as at 31 December 2022 to S\$41.13 million as at 31 December 2023. The decrease was mainly due to repayment of bank loans, bills payables, trade payables and other payables amounting to S\$4.15 million, S\$1.41 million, S\$1.25 million and S\$2.06 million respectively and reclassification of Pioneer Group under "Liabilities directly associated with disposal group classified as held-for-sale". The decrease in government loans of S\$0.20 million mainly due to the repayments. The increase in deferred government grants of S\$0.06 million mainly due to additions of S\$0.19 million, which was partially offset by amortisation charge of S\$0.07 million and recognition of foreign currency translation loss of S\$0.05 million. Other payables and accruals decreased by S\$2.06 million mainly due to reclassification of Pioneer Group's other payables and accruals under "Liabilities directly associated with disposal group classified as held-for-sale". Net gearing ratio improved from 0.24 times as at 31 December 2022 to 0.20 times as at 31 December 2023.

Cash Flow

Net cash flow generated from operating activities amounted to S\$6.26 million in the current year. Operating profit before working capital changes was S\$9.76 million. The working capital changes was mainly due to decrease in inventories and increase in other payables amounting to S\$3.07 million and S\$0.10 million respectively. However, this was partially offset by an increase in trade receivables, other receivables and prepayments amounting to S\$1.81 million and S\$0.90 million respectively, decrease in trade payables and bills payables amounting to S\$0.38 million and S\$1.41 million respectively. Interest paid amounted to S\$1.28 million and income tax paid amounted to S\$1.04 million during the year.

Net cash flow used in investing activities amounted to S\$2.14 million mainly due to addition in intangible assets amounting to S\$1.71 million for the upgrading of plants in industrial cum municipal wastewater treatment business under the environmental business division and addition in property, plant and equipment amounting to S\$0.56 million mainly under the manufacturing of steel flanges division.

Net cash flow used in financing activities amounted to S\$6.56 million mainly due to net repayments to loans and borrowings of S\$3.90 million, obligations under lease liabilities of S\$0.49 million, dividend payment of S\$1.15 million and dividend payment to non-controlling interests of S\$1.07 million.

The Group's net asset per share as at 31 December 2023 was 22.45 cents and weighted average earnings per share (including discontinued operations) was 1.13 cents.

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Condensed Financial Statements For The Full Year Ended 31-12-2023

F OTHER INFORMATION (cont'd)

9 Whether a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and actual results.

The Group's financial results for FY2023 are in line with the Company's trends and competitive conditions previously disclosed in the Company's announcement dated 27 February 2023 in relation to its results for full year ended 31 December 2022.

10 A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

Singapore's economy grew merely 1.2%^[1] in 2023 and the Ministry of Trade and Industry has forecasted and announced that the GDP growth forecast for 2024 is at 1.0 to 3.0 per cent. ^[2] The Group expects to face significant challenges due to, *inter alia*, relatively high interest rate environment, inflationary pressures, ongoing global geopolitical and economic uncertainties in FY2024. The potential significant slowdown in the economy of PRC where the Group has its major investment of environment business may also indicate more challenges.

For the reasons mentioned above, the Group gross profit margin in both the distribution of steel and manufacturing of steel flanges divisions will continue to face challenges in the next twelve months and the Group is cautiously optimistic on the general outlook of our environment business division in the PRC.

Going forward, the Group will continue to work on maintaining our revenue generation with healthy receivables collection strategy and identifying suitable opportunities for growth. We shall continue to exercise prudence in managing cost and working capital, focusing on operational efficiency and mitigating business risks.

[1] https://www.mti.gov.sg/Newsroom/Press-Releases/2024/01/Singapore-GDP-Grew-by-2_8-Per-Cent-in-the-Fourth-Quarter-of-2023-and-by-1_2-Per-Cent-in-2023

[2] https://www.mti.gov.sg/Newsroom/Press-Releases/2024/02/MTI-Maintains-2024-GDP-Growth-Forecast-at-1_0-to-3_0-Per-Cent

11 If a decision regarding dividend has been made.

(a) Whether an interim (final) dividend has been declared (recommended); and

The Director are pleased to propose a first and final one-tier tax-exempt of 0.3 Singapore cent per share for the year ended 31 December 2023, subject to shareholders' approval at the forthcoming Annual General Meeting.

(b)(i) Amount per share in cents.

0.3 Singapore cent per share.

(b)(ii) Previous corresponding period in cents.

0.4 Singapore cent per share.

(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).

One - tier tax exempt.

(d) The date the dividend is payable.

To be announced later.

(e) The date on which Registrable Transfers received by the company (up to 5.00pm) will be registered before entitlements to the dividend are determined.

To be announced later.

12 If no dividend has been declared (recommended), a statement to that effect and the reason(s) for the decision.

Not applicable.

ANNAIK LIMITED

Condensed Financial Statements For The Full Year Ended 31-12-2023

F OTHER INFORMATION (cont'd)

13 A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.

Total Annual Dividend Paid

Total	FY2023	FY2022
	S\$'000	S\$'000
Ordinary Preference	1,154	2,010
	-	-
	1,154	2,010

14 If the Group has obtained a general mandate from shareholders for interested persons transactions ("IPT"), the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

No IPT mandate has been obtained from shareholders. There were no IPTs entered during the year.

15 Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704 (10) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was held	Details of changes in duties and position held, if any, during the year
Ow Eei Meng Benjamin	45	Son of Mr Ow Chin Seng (Executive Chairman cum CEO) and brother of Mr Ow Eei Phurn, Benedict (Executive Director cum Sales Director).	Deputy Chief Executive Officer of the Group and as executive director for the rest of the Company's subsidiaries. His roles are to assist the Chief Executive Officer in managing the strategic direction of the Company and oversee operations.	-
Low Kheng	71	Wife of Mr Ow Chin Seng (Executive Chairman cum CEO) and mother of Mr Ow Eei Phurn, Benedict (Executive Director cum Sales Director).	Mdm. Low is responsible for the marketing and sales of the Group's distribution products in Singapore. She has over 42 years of experience in the hardware and steel industry.	-
Peh Choon Chieh	49	Nephew of Mr Ow Chin Seng (Executive Chairman cum CEO) and cousin of Mr Ow Eei Phurn, Benedict (Executive Director cum Sales Director).	Commercial Manager in AnnAik Limited's subsidiary (AnnAik Pte Ltd). Responsible for development of sales in distribution products.	-

16 Use of proceeds pursuant to Chapter 8 of the Catalist Rules.

None.

ANNAIK LIMITED

Condensed Financial Statements For The Full Year Ended 31-12-2023

F OTHER INFORMATION (cont'd)

17 Negative Confirmation by the Board pursuant to Rule 705(5).

On behalf of the Board of Directors, we hereby confirm that, to the best of our knowledge, nothing has come to the attention of the board of directors of AnnAik Limited which may render the condensed financial statements announcement for the full year of 2022 to be false or misleading in any material aspect.

18 Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1).

The Company has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1).

19 Disclosure pursuant to Rule 706A of the Listing Manual

As announced on 4 May 2023, Pioneer Environmental Technology Pte Ltd ("PET") has incorporated PIONLIONTEK LINERGY (INDIA) PRIVATE LIMITED ("PION") in India on 27 April 2023. The principal activity of PION is the provision of environmental engineering services and new energy related businesses. The incorporation of PION was funded through internal resources, and is not expected to have any material impact on the consolidated net tangible assets or earnings per share of the Company and the Group for the financial year ended 31 December 2023.

The Company has on 6 July 2023 increased the shareholding in Metal Wang Pte Ltd ("Subsidiary") from 75% to 100% by acquiring 125,000 ordinary shares from an individual party at a consideration of S\$56,850.64 (book value S\$227,402). The acquisition was funded through internal resources, and is not expected to have any material impact on the consolidated net tangible assets or net earnings per share of the Company and the Group for the financial year ended 31 December 2023.

Referring to the Company's announcement dated 21 June 2023, the Company and the joint venture partner has incorporated MS Pioneer Technology Sdn Bhd in Malaysia on 3 July 2023 ("JV Company"). The principal activity of the JV Company is to carry out the business of production, business development, marketing, and recovery of lithium batteries in Malaysia. The incorporation of JV Company was funded through internal resources, and is not expected to have any material impact on the consolidated net tangible assets or earnings per share of the Company and the Group for the financial year ended 31 December 2023. Please refer to the Company's announcement dated 21 June 2023 for more information on the joint venture.

As announced on 13 December 2023, the Company has entered into a sale and purchase agreement (the "SPA") with Mr. Yang Guoying (the "Purchaser") in relation to the disposal of all the Company's shares in Pioneer Environmental Technology Pte. Ltd., a 51% owned subsidiary of the Company, and its subsidiaries and associates ("Pioneer Group").

The sale price is equivalent to the net asset value of the Group's effective equity interest in the shares of Pioneer Group as at 30 September 2023. The disposal is not expected to have any material impact on the consolidated net tangible assets or net earnings per share of the Company and the Group for the financial year ended 31 December 2023.

By Order of the Board

Ow Chin Seng
Executive Director

Ng Kim Keang
Executive Director

29 February 2024

This announcement has been reviewed by the Company's Sponsor, SAC Capital Private Limited (the "Sponsor"). It has not been examined or approved by the Singapore Exchange Securities Trading Limited ("SGX-ST") and the SGX-ST assumes no responsibility for the contents of this announcement including the correctness of any of the statements or opinions made or reports contained in this announcement.

The contact person for the Sponsor is Ms Audrey Mok (Telephone no.: (65) 6232 3210) at 1 Robinson Road, #21-00 AIA Tower, Singapore 048542.